

701—83.3(453A) Tax on tobacco products. The tax on tobacco products is to be paid but once, either upon distribution by a distributor or upon use or storage by a consumer. The tax is in addition to any occupation or privilege tax or license fees imposed by any city or county.

83.3(1) *Distributor's tax.* When a distributor:

- a. Brings tobacco products or causes tobacco products to be brought into this state for sale;
- b. Makes, manufactures, or fabricates tobacco products in this state for sale in this state; or
- c. Ships or transports tobacco products directly to retailers in this state for sale by the retailer, the tax attaches at the rate specified in Iowa Code section 453A.43(1) of the wholesale price of the tobacco products. The wholesale price of the tobacco products is the manufacturer's gross list price.

83.3(2) *Consumer's tax.* If the tax has not been paid under Iowa Code section 453A.43(1) and subrule 83.3(1), the consumer is responsible for the tax specified in Iowa Code section 453A.43(2) on the cost to the consumer of the tobacco products used or stored by the consumer. The tax does not apply to the use or storage of tobacco products in quantities of:

1. Less than 25 cigars,
2. Less than ten ounces of snuff or snuff powder, or
3. Less than one pound of other tobacco products in the possession of any one consumer.

These exceptions do not apply to tobacco products subject to the tax imposed upon distributors under the provisions of Iowa Code section 453A.43(1) and subrule 83.3(1).

This rule is intended to implement Iowa Code section 453A.43.